



January 12, 2004

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Attention: Docket No. R-1175

Re: Proposed Effective Dates for the FACT Act
68 FR 74529 (December 24, 2003)

Dear Ms. Johnson:

America's Community Bankers ("ACB")¹ is pleased to comment on the proposal issued by the Board of Governors of the Federal Reserve System and the Federal Trade Commission (collectively, "the Agencies") that would establish effective dates for provisions of the "Fair and Accurate Credit Transactions ('FACT') Act"² that do not contain specific effective dates.³

ACB generally supports this proposal. The underlying statute requires that the Agencies allow for a "reasonable" time period for the implementation of the FACT Act's provisions. We believe that the proposal generally meets this requirement, with one exception detailed in this letter.

The proposal would establish March 31, 2004 as the effective date for those provisions that are self-effectuating, and December 1, 2004 for those provisions that would require changes in systems, disclosure forms or practices, or implementing regulations to be administered effectively. We believe that the March 31, 2004 deadline is appropriate for the specific FACT Act provisions cited in the proposal⁴.

¹ America's Community Bankers represents the nation's community banks of all charter types and sizes. ACB members pursue progressive, entrepreneurial and service-oriented strategies in providing financial services to benefit their customers and communities.

² Pub. L. 108-159, 117 Stat. 1952 (December 4, 2003).

³ 68 Fed. Reg. 74529 (December 24, 2003).

⁴ Section 156, Sections 312(d)–(f), Section 313(a), Section 611, and certain definitions in Section 111.


We also believe that the proposed December 1, 2004 deadline is appropriate, with one slight caveat pertaining to Section 214(a) of the FACT Act (affiliate sharing). Section 214(b) of the FACT Act provides a potential window of 15 months from the enactment date of the FACT Act (December 4, 2003) for final regulations governing this section to take effect (nine months for the issuance of final regulations plus six additional months).

Using the full 15-month window would allow for financial institutions and other entities covered under the Gramm-Leach-Bliley Act ("GLBA")⁵ to provide this new notice with their GLBA privacy notices for calendar year 2005, which would result in cost savings and convenience. We strongly urge the Agencies to extend the effective date for Section 214 of the FACT Act to March 1, 2005 in the final regulations. If the December 1, 2004 effective date remains unchanged, the final regulations, at a minimum, should establish a compliance deadline of no earlier than March 1, 2005.

In conclusion, we believe that the proposal, with this one recommended modification, adequately addresses the statutory requirement for a "reasonable" time period for implementing the FACT Act.

If you have any questions, please contact Peter Hong at 202-857-3134 or phong@acbankers.org or Rob Drozdowski at 202-857-3148 or rdrozdowski@acbankers.org.

Sincerely,



Charlotte M. Bahin
Senior Vice President, Regulatory Affairs

⁵Pub. L. 106-102, 113 Stat. 1338 (November 12, 1999).